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May 7, 2008

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

Ms. Stephanie L. Stumbo
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Dear Ms. Stumbo:

I enclose the original and seven copies of Prestonsburg's Notice to the Commission to be filed with the Public Service Commission. Please file the enclosed and return one copy with your filed stamp on it.

Thank you for your assistance with this and please do not hesitate to contact me if you have any questions.

Very truly yours,

A handwritten signature in black ink that reads "Kipley J. McNally". The signature is written in a cursive style with a large, sweeping flourish at the end.

Kipley J. McNally

KJM:jlr

Enclosures

cc: Mr. David M. Ellis
Bruce F. Clark, Esq.

BEFORE THE PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY

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MAY 8 2008

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF AUXIER WATER)
CO., FLOYD COUNTY, KENTUCKY FOR)
AUTHORIZATION OF ITS PROPOSED SALE) CASE NO.
AND CONVEYANCE OF ALL OF ITS WATER) 2007-00488
DISTRIBUTION SYSTEM AND CUSTOMER)
DEPOSITS TO THE CITY OF PRESTONSBURG,)
KENTUCKY)

PRESTONSBURG'S NOTICE OF THE TRANSFER OF ASSETS

Comes Prestonsburg City's Utilities Commission ("Prestonsburg") by and through counsel, to respectively inform the Commission that Auxier Water Co. transferred its water distribution system to Prestonsburg on April 29, 2008, in accordance with the Commission's Order dated the 14th day of March, 2008. Furthermore, Prestonsburg gives notice that Prestonsburg has agreed to the condition in paragraph 2 of the Commission's Order dated the 14th day of March, 2008, that "Prestonsburg shall charge incoming Auxier customers the Outside City Rates."

As of April 29, 2008, Prestonsburg assumed complete control of all operations and maintenance of the water distribution system owned and operated by Auxier Water Co.

Respectfully submitted:



Kipley J. McNally, Esq.
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2527 Nelson Miller Parkway, Suite 104
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(502) 245-6133

Counsel for the Prestonsburg City's
Utilities Commission

Date Submitted: May 7, 2008

CERTIFICATE OF SERVICE

I hereby certify that the foregoing has been served via first class mail with postage pre-paid to Bruce F. Clark, Esq., Stites & Harbison, PLLC, 421 West Main Street, Frankfort, Kentucky 40601, on the 7th day of May, 2008.



Kipley J. McNally
Counsel for the Prestonsburg City's
Utilities Commission